14 November 2013

# Statement by the Eurogroup on Ireland

We examined today the twelfth and final review of the Irish adjustment programme. We concurred with the Commission, the ECB and the IMF that the programme remains on track and that sovereign yields have now normalised.

We congratulate the Irish authorities for the successful implementation of the programme. The very good work done thus far in terms of fiscal consolidation and structural reforms are allowing Ireland to return to a path of sustainable growth and job creation, as evidenced by the nascent economic recovery, declining, although still high, unemployment and improving business confidence.

We fully support the Irish government's decision to exit the programme without requesting any successor financial assistance. After an impressive turnaround, favourable financing terms demonstrate the regained trust of investors in the Irish sovereign. On the back of decisive financial sector repair, the overall health of the Irish banking sector has also significantly improved and Irish banks have enjoyed better funding conditions and improved market access.

We also concurred with the Irish authorities that the Treasury cash buffer of more than €20 billion, covering more than the sovereign’s gross funding need in 2014, represents a significant backstop against internal or external risks. In addition the Eurogroup and Ecofin ministers' decision in April to extend loan maturities has further contributed to supporting market sentiment and lowering the borrowing needs in the future, thus enhancing Ireland's debt sustainability.

Furthermore, we welcome the reaffirmed commitment by the Irish authorities to pursue reform efforts beyond the programme period to address remaining challenges, in particular ensuring a timely correction of the excessive fiscal deficit, completing the restructuring of the banking sector and boosting the country's growth potential through a strong structural reform agenda. The authorities’ exemplary track record under the programme underlines their resolve to deliver in these endeavours.

The EFSM is expected to make a last disbursement of €0.8 billion in January once the final review is formally completed in early December. The IMF is also expected to disburse a final €0.6 billion subject to the approval of the review by its Executive Board.

Ireland is a living example that EU-IMF adjustment programmes are successful provided there is a strong ownership and genuine commitment to reforms. We commend the Irish people for their efforts and achievements under difficult circumstances. The success of the Irish financial assistance programme also clearly illustrates our resolve to work together to ensure the cohesion and stability of the euro area.